

Hearing Date: December 14, 2017, 1:30 p.m. A.S.T.

**IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF PUERTO RICO**

In re:

THE FINANCIAL OVERSIGHT AND
MANAGEMENT BOARD FOR PUERTO RICO

as representative of

THE COMMONWEALTH OF PUERTO RICO,

Debtor.¹

PROMESA

Title III

Case No. 17-BK-03283 (LTS)

**JOINDER OF FINANCIAL GUARANTY INSURANCE
COMPANY TO URGENT RENEWED JOINT MOTION BY THE
AD HOC GROUP OF GENERAL OBLIGATION BONDHOLDERS,
AMBAC ASSURANCE CORPORATION, ASSURED GUARANTY CORP.,
ASSURED GUARANTY MUNICIPAL CORP., THE MUTUAL FUND GROUP,
AND NATIONAL PUBLIC FINANCE GUARANTEE CORPORATION FOR ORDER
AUTHORIZING RULE 2004 EXAMINATION**

[Dkt. # 1870]

Financial Guaranty Insurance Company (“**FGIC**”), by and through its attorneys Rexach & Picó, CSP and Butler Snow LLP, files this joinder (this “**Joinder**”) in support of the *Urgent Renewed Joint Motion by the Ad Hoc Group of General Obligation Bondholders, Ambac Assurance Corporation, Assured Guaranty Corp., Assured Guaranty Municipal Corp., the Mutual Fund Group, and National Public Finance Guarantee Corporation for Order*

¹ The Debtors in these Title III Cases, along with each Debtor’s respective Title III case number and the last four (4) digits of each Debtor’s federal tax identification number, as applicable, are the (i) Commonwealth of Puerto Rico (Bankruptcy Case No. 17 BK 3283-LTS) (Last Four Digits of Federal Tax ID: 3481); (ii) Puerto Rico Sales Tax Financing Corporation (“COFINA”) (Bankruptcy Case No. 17 BK 3284-LTS) (Last Four Digits of Federal Tax ID: 8474); (iii) Puerto Rico Highways and Transportation Authority (“HTA”) (Bankruptcy Case No. 17 BK 3567-LTS) (Last Four Digits of Federal Tax ID: 3808); and (iv) Employees Retirement System of the Government of the Commonwealth of Puerto Rico (“ERS”) (Bankruptcy Case No. 17 BK 3566-LTS) (Last Four Digits of Federal Tax ID: 9686). (Title III case numbers are listed as Bankruptcy Case numbers due to software limitations).

Authorizing Rule 2004 Examination [Dkt. # 1870] (the “**Motion**”).² In support of this Joinder, FGIC respectfully states as follows:

1. FGIC provides financial guaranty insurance covering in excess of \$1.17 billion in principal amount of bonds outstanding and issued by the Commonwealth of Puerto Rico (the “**Commonwealth**”) and various Commonwealth instrumentalities. With respect to the Commonwealth Title III case, FGIC insures approximately \$282 million of outstanding general obligation bonds issued by the Commonwealth and bonds guaranteed by the Commonwealth (e.g. Public Building Authority bonds). In addition, FGIC insures bonds issued by the Puerto Rico Highways and Transportation Authority, the Puerto Rico Convention Center District Authority, and the Puerto Rico Infrastructure Financing Authority. Under relevant provisions of the applicable bond documents, bond insurance policies, and applicable law, payment by FGIC neither satisfies nor discharges an issuer’s obligation to pay and, to the extent FGIC makes such payments, it obtains assignments of rights from the bondholders, becomes owner of the bonds, and/or becomes subrogated to the rights of bondholders and effectively steps into the shoes of such bondholders.

2. As a monoline insurer with significant exposure in these Title III cases, FGIC is similarly situated to the Ad Hoc Group of General Obligation Bondholders (the “**GO Group**”), Ambac Assurance Corporation (“**Ambac**”), Assured Guaranty Corp. and Assured Guaranty Municipal Corp. (collectively, “**Assured**”), the Mutual Fund Group, and National Public Finance Guarantee Corporation (“**National**”) (the GO Group, Ambac, Assured, the Mutual Fund Group, and National, collectively, the “**Movants**”). FGIC likewise seeks from the Oversight Board, AAFAF, the Commonwealth and other third parties information necessary for FGIC and its

² Capitalized terms used but not otherwise defined herein shall have the meaning ascribed to such terms as in the Motion.

advisors to assess and understand the Commonwealth's financial condition and any new fiscal plan. Without this information, FGIC cannot adequately evaluate whether any proposed consensual settlement (including under any proposed plan of adjustment) represents a fair resolution of its claims or any proposed plan of adjustment is confirmable under the requirements of PROMESA.

3. Rather than propounding substantially identical discovery as the Movants, FGIC files this Joinder in support of the Motion and to receive any and all information produced by the Oversight Board, AAFAF, the Commonwealth and other third parties pursuant to any order granting the Motion and authorize FGIC to participate in any related examinations or other proceedings. This Joinder will also minimize any burden on the Commonwealth and the Oversight Board as those parties need only provide FGIC with duplicate information provided to the Movants.

4. Accordingly, FGIC respectfully requests that the Court grant the Motion and require the Oversight Board, AAFAF, the Commonwealth and other third parties to provide FGIC with any information produced to the Movants pursuant to any order granting the Motion and to participate in any related examinations or other proceedings.

Dated: December 5, 2017

Respectfully submitted,

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